

## **MOTOR VEHICLE LEASES (AUG 2006)**

**1. Vehicle Lease Payments.** (a) Upon the submission of proper invoices or vouchers, the Company shall pay rent for each vehicle at the rate(s) specified in this Agreement.

(b) Rent shall accrue from the beginning of this Agreement, or from the date each vehicle is delivered to the Company, whichever is later, and shall continue until the expiration or termination of this Agreement. However, rent shall accrue only for the period that each vehicle is in the possession of the Company.

(c) Rent shall not accrue for any vehicle that the Company determines does not comply with the Condition of Leased Vehicles clause of this Agreement or otherwise does not comply with the requirements of this Agreement, until the vehicle is replaced or the defects are corrected.

(d) Rent shall not accrue for any vehicle during any period when the vehicle is unavailable or unusable as a result of the Seller's failure to render services for the operation and maintenance of the vehicle as prescribed by this Agreement.

(e) Rent stated in monthly terms shall be prorated on the basis of 1/30th of the monthly rate for each day the vehicle is in the Company's possession. If this Agreement contains a mileage provision, the Company shall pay rent as provided in the Schedule.

**2. Condition of Leased Vehicles.** Each vehicle furnished under this Agreement shall be of good quality and in safe operating condition, and shall comply with the Federal Motor Vehicle Safety Standards (49 CFR 571) and State safety regulations applicable to the vehicle. The Company shall accept or reject the vehicles promptly after receipt. If the Company determines that any vehicle furnished is not in compliance with this Agreement, the Company shall promptly inform the Seller in writing. If the Seller fails to replace the vehicle or correct the defects as required by the Company, the Company may-

(a) By contract or otherwise, correct the defect or arrange for the lease of a similar vehicle and shall charge or set off against the Seller any excess costs occasioned thereby; or

(b) Terminate the Agreement under the Termination for Default clause.

**3. Marking of Leased Vehicles.** (a) The Company may place nonpermanent markings or decals, identifying itself and the Department of Energy, on each side, and on the front and rear bumpers, of any motor vehicle leased under this Agreement. The Company shall use markings or decals that are removable without damage to the vehicle.

(b) The Seller may use placards for temporary identification of vehicles except that the placards may not contain any references to the Contractor that may be construed as advertising or endorsement by the Company or the Government of the Seller.

**4. Tagging of Leased Vehicles.** (Applicable if vehicles are to be leased for more than 60 days.) (a) The Company intends to use United States Government license tags.

(b) While it is the intention that vehicles leased hereunder shall operate on Federal tags, the Company reserves the right to utilize state tags if necessary to accomplish its mission. Should state tags be required, the Seller shall furnish the Company the documentation required by the state to acquire such tags.

(End of clause)